



Memo:

To: Theranos Partners

From: Theranos, Inc.

Subject: Regulatory Update

Date: Monday, April 18, 2016

As we've previously shared with you and as could be expected, surrounding critical *Wall Street Journal* articles a number of regulators began investigations.

In the past, we have generally not commented on the specifics of these inquiries out of deference to our regulators and in light of specific requests for confidentiality. However in light of consistent press attention in this area we want you to hear about them from us.

Investigations or inspections were opened by the State Departments of Health in Pennsylvania and Arizona; CMS, FDA, the Securities Exchange Commission (SEC), and the U.S. Attorney's Office for the Northern District of California. The investigations by the Departments of Health of Pennsylvania and Arizona and the FDA have been successfully closed out. The investigations by the SEC and the U.S. Attorney's Office, which began following the publication of certain news articles, are focused on requesting documents and ongoing, in addition to the CMS inspection. The company continues to work closely with regulators and is cooperating fully with all investigations.

We welcome further review of our technologies, performance, and data, which is why we voluntarily engaged with FDA years ago. We recently hosted three scientific review sessions in Palo Alto with leading laboratory and medical experts, many of whom joined our Scientific and Medical Advisory Board as a result, and are now working with us to introduce our technologies through peer reviewed publications.